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TAGS: [SENV](#) [ENRG](#) [ECON](#) [CA](#)  
SUBJECT: CANADA'S CLEAN AIR ACT FACES TOUGH SLEDDING

REF: OTTAWA 3182

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¶1. (U) Summary: Less than two weeks after its introduction in the House of Commons the Tories' highly anticipated "made-in-Canada" environmental plan, the Clean Air Act, has been derailed from the standard parliamentary pathway. The bill will likely be subject to a massive redraft in an ad hoc "Legislative Committee" where opposition MPs will outnumber Conservatives seven to five. The shape of the committee debate to come may have been foreshadowed during a November 14 press conference at the Nairobi UNFCCC meeting when federal Liberal and Bloc Quebecois MPs characterized the Conservative approach to climate change as "scandalous" and "idiotic." The Liberals and New Democratic Party already have their own "climate change" bills before the House of Commons; and Quebec insists it has a viable plan to "meet its Kyoto obligations." (Quebec, as a province, technically has no Kyoto obligations.) Ironically, senior government bureaucrats have told Embassy they find the Conservative's policy on clean air and climate change an effective and targeted approach they are quite pleased with. End summary.

¶2. (U) On October 19, Canadian Minister of the Environment Rona Ambrose introduced in the House of Commons Bill C-30, the government's long-anticipated legislation to address air pollution and climate change. The Bill, known as Canada's Clean Air Act, has three main goals: 1) to change Canada's Environmental Protection Act to enable the federal government to regulate air pollutants and green-house gases; 2) to clarify federal regulatory power to set standards in Canada's Vehicle Fuel Consumption Act; and 3) to amend the Energy Efficiency Act to allow the GoC to address manufactured goods as part of a national energy efficiency strategy (reftel).

¶3. (U) While the broader business community signaled its approval of the Tory approach, environmental NGOs and opposition parties who have been attacking the Conservatives on climate change since the Spring, seized on the introduction of the legislation to move their discontent into high gear.

Government to Send Bill to "Legislative Committee"

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¶4. (U) In the last days of October, NDP leader Jack Layton leveraged a meeting with Prime Minister Harper by threatening

to bring down the Conservative minority government on a confidence vote unless Harper agreed to meet with him to discuss the Clean Air Act. After the Harper-Layton meeting on October 31 the government surprised many observers by agreeing to Layton's proposal to send its draft legislation (C-30) directly to a "legislative committee" rather than subject the bill to the standard legislative pathway of debate, floor votes, and referral to the House Standing Committee on the Environment and Sustainability for review.

15. (SBU) According to Rob Taylor, Director of Parliamentary Affairs for the Conservative House Leader in the Commons, the four parties' House leaders have agreed in principle to establish the ad hoc legislative committee and are now negotiating the details of its mandate, structure and composition. The committee will, Taylor explained, have a broad mandate to study the legislation and make changes that could fundamentally alter its scope. The committee will be comprised of 13 MPs: 5 Conservatives; 4 Liberals, 2 Bloc Quebecois (BQ), and 1 New Democratic Party (NDP) MP, along with a chairman appointed by the Speaker of the House who will exercise a vote only in instances of ties. Taylor thinks it is a "crap shoot" on how the draft legislation will evolve (hard GHG targets vs. soft; short timelines vs. long) and whether the legislation's pollution control aspects will get lost in the posturing and redrafting of the climate change portion. He remarked too, that the choice of Liberal Party leader in December will be key to how the Liberal members contribute within the committee. Front runner Michael Ignatieff is no Kyoto fan, whereas second-place Bob Rae is more supportive. Taylor continued that the Conservatives still hold some cards. If the legislation that comes back from committee is unacceptable, the government can choose to not submit it for second reading and consequently

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kill it. Ironically, senior government bureaucrats have told Embassy they find the Conservatives' policy on clean air and climate change an effective and targeted approach they are quite comfortable with, and at least some officials profess to being less skeptical as to the bill's fate in the legislative committee.

NDP and Liberals have their own Clean Air bills

16. (U) There are, in any case, competing climate change bills already before parliament. Just hours before meeting PM Harper on October 31, NDP leader Jack Layton introduced a private member's bill (C-377) called the Clean Air Accountability Act. The seven-page bill calls for reducing greenhouse gas emissions to a level 80 percent below 1990 levels by 2050 (with interim targets for 2015-2045). Shannon Haggarty, Senior Advisor to Environment Minister Ambrose, told Embassy that Layton's bill is "not (too far) out in left field" and in fact has significant similarities to the Clean Air Act's measures on reducing emissions, and on targets and timelines. Given that its first target is not until 2015, the Layton bill does not address the Kyoto commitment period, leading the Liberals and Bloc Qubcois to accuse the NDP too of abandoning Kyoto. Layton insists he has not abandoned Kyoto's targets and continues to support another private member's bill (C-288) tabled by Liberal MP Pablo Rodriguez that calls on Canada to meet its Kyoto commitments on schedule.

17. (U) The Rodriguez bill, the Kyoto Protocol Implementation Act, proposes a compressed timetable that would "ensure Canada takes effective and timely action to meet its obligations under the Kyoto Protocol." The bill would allow the government to make, amend or repeal regulations to enable Canada to reduce by 2012 its total GHG emissions to a level 6 percent below 1990 GHG emissions, including by establishing emissions caps, restricting permits to emit GHGs, allowing trading and so on. Both the Layton and Rodriguez bills propose establishing offences and penalties so that violators

would be subject to indictment or summary conviction and liable to fines or imprisonment.

¶8. (U) The Rodriguez (Liberal) bill was introduced in May, has passed its second vote in the House, and is currently before the House of Commons Standing Committee on Environment and Sustainability. The Layton (NDP) bill has been placed high on the "Order of Precedence" and can expect second reading at some point in the coming months.

#### Domestic Critics Assail Conservatives at UNFCCC Conference

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¶9. (U) During a November 14 press conference at the Nairobi UN Climate Change meetings, Federal Liberal MP John Godfrey, Bloc Quebecois MP Bernard Bigras, Quebec's Environment Minister Claude Bechar, and Canadian environmentalists openly mocked Ambrose and derided the government's climate change stance as "scandalous," "idiotic," and "ridiculous." Bechar, whose comments were less vitriolic, said he hoped Ambrose would acknowledge Quebec's Kyoto plan at the Conference this week. "We can't say that Kyoto is impossible in Canada when one of the provinces, Quebec, has a plan to meet Kyoto with minimum participation from the federal government," he said. Bechar also announced that Quebec "government," he said. Bechar also announced that Quebec plans to host a high-level meeting next February that will bring together environment and energy ministers from Canadian provinces and U.S. states that support more aggressive action on climate change. (Quebec is not, of course, party to the Kyoto Protocol and has no separate Kyoto commitment. But it does have a plan, announced in June, to reduce emissions by 6 percent, matching Canada's Kyoto target. The province is demanding C\$328 million from federal coffers )- promised to it by the previous Liberal government -- to help implement the plan.)

#### Kyoto Commitment Still Alive?

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¶10. (U) During her own address to the UN Climate Change Conference on November 15 and subsequent press questioning, Environment Minister Ambrose stressed Canada's commitment to the UN process on climate change and the Kyoto Protocol, and did not entirely rule out the possibility Canada could meet its Kyoto emissions reduction goals. (Five months earlier,

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in May, Ambrose had declared the targets unachievable.) In Nairobi Ambrose said experts "tell me that it will be very, very difficult for Canada to reach the Kyoto target," nevertheless "we're moving forward very aggressively to put a plan in place to make progress on our Kyoto targets. Canada remains strongly committed to Kyoto." Possibly in direct reaction to the harsh opposition and NGO criticism leveled at the Clean Air Act -) and her personally -- in preceding days, Ambrose repeated her charge that the previous Liberal government is to blame for leaving the country so far behind schedule that it effectively has no real prospect of meeting the Kyoto targets. Ambrose also charged the opposition with using Kyoto to try to divide the Canadian electorate (which may face national elections in the spring of 2007) and vowed the Conservative government would ensure that individuals, industry, and all levels of political subdivisions worked together toward the Kyoto targets.

¶11. (U) Ambrose's Nairobi statement enumerated specific measures contained in the Clean Air Act, such as targets for renewables and mandatory vehicle fuel efficiency standards. She promised industry would have short-term emissions targets by early next year and did not rule out Canada buying carbon credits to aid progress toward the target. She stressed the crucial role of technology in addressing climate change, and put federal government commitments for new actions on climate change this year at C\$2 billion.

Comment

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¶12. (SBU) The heated present domestic debate on Kyoto, and on the Harper government's strategy and timetable to reduce emissions, falls squarely in the category of political theater (and feeds on pre-election posturing at the federal and provincial levels), with provinces, opposition parties, and environmental NGOs seemingly bent on outdoing one another in charging the government with abandoning Canada's obligation as an environmental steward. In fact, the speed with which the opposition targeted the Clean Air Act's climate change provisions derailed the government's initial strategy for rolling out the Act and its overall environmental strategy. Perhaps sensing climate change was too much of a lightning rod, officials at the political and bureaucratic levels had told Embassy the government's strategy during the rollout would be to play to the Act's expected health benefits (i.e., its air pollution control measures) rather than climate change. But being on the defensive from the day the bill was introduced, they just never had the chance.

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